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MESSAGE OF THE PRESIDENT.

RICHMOND, VA., March 12, 1863.

To the House of Representatives :

In response to your resolution of the 23th ultimo, I herewith transmit a communication from the Secretary of the Treasury, relative to cotton purchased for the government in the State of Louisiana.

JEFFERSON DAVIS.



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COMMUNICATION FROM SECRETARY OF TREASURY.

TREASURY DEPARTMENT, C. S. A., }
Richmond, March 11, 1863. }

THE PRESIDENT:

SIR: In reply to a resolution of the House of Representatives, passed on the 28th ultimo, and received at this office on the 5th inst. requesting the Secretary of the Treasury "to inform Congress of the amount of cotton purchased by the government in Louisiana, specifying the names of individuals by whom bought, and whether paid for in bonds or notes, and at what average price, together with the names of the agents that have been heretofore and are now employed by the government in purchasing cotton in Louisiana, and whether any discrimination has been made by them in their purchases between the producer of the article, and those who held it on speculation; also the regulations which have been adopted by said agents under instructions from the department, either for the purchase or security of said cotton," I have the honor to report:

That up to the date of, and embracing the latest returns received at this office, 42,374 bales of cotton, costing \$1,988,481 40 have been purchased by the agents of this department in Louisiana, of which amount \$1,980,100 have been paid in bonds, and \$8,381 40 in treasury notes. The prices paid vary from 8 to 13 1-2 cents per pound, the average price of the entire purchases in the State being \$9 38 cents, of the above 36,870 bales, costing \$1,789,545 67 of which \$8,345 67 were paid in notes, were purchased under the direction of J. D. D. DeBow, Esq., General Agent of the Produce Loan for Louisiana and Mississippi, by the following sub-agents appointed by him, and approved by this department, viz: Ro. Murdock, B. Hardison, F. M. Dawson, B. Cahn, John Hunter, H. S. Fulkerson, A. L. Page, S. B. Young, Chas. Cosgrove, J. H. McNeil, Ulger Lawre, Thos. Reed and Z. Preston.

In November last, deeming it impracticable for one person to superintend properly the purchase of cotton for the government on both sides of the Mississippi river, I divided the district of Mr. DeBow, and appointed A. W. McKee, Esq., agent for western Louisiana. Under his direction 3,704 bales of cotton have been purchased, costing in bonds \$198,900, and in treasury notes \$35 73. These purchases were made by M. M. Rhorer, sub-agent. Mr. McKee has also ap-

pointed James Rhorer and J. T. Belknap, sub-agent, but no purchases by them have yet been reported. No other persons than those mentioned are known to this office as having been authorized, previously or at this time, to purchase cotton for the government in Louisiana, and so far as known, the same persons are still employed in making purchases. If others have been employed their names have not yet been reported by the general agents for confirmation.

I am unable to answer the inquiry whether any discrimination has been made by the agents in their purchases between the producers of cotton and those who hold it on speculation, possessing no information whatever upon the subject. No instructions have been issued which have authorized any such discrimination, and the reports of agents do not show whether any discrimination has been made. All the agents have been instructed to purchase cotton on as advantageous terms to the Government as possible, paying in each case as much in bonds and as little in cash as the parties selling could be induced to take, and in no instance to pay more than the current market price.

In reply to the last clause of the resolution, I have the honor to report that no special regulations known to this Department have been adopted by the agents in Louisiana, or in any other State, for the purchase and security of Cotton. All the purchases of cotton by the agents of this Department have been made under the general regulations, a copy of which will be found enclosed, issued in May last, to carry into effect the act of April 21st previous. These regulations are still in force with some slight modifications, which have been made in several instances to meet particular cases. No. 1 has been entirely changed. Instead of calling for proposals for sale of cotton by public advertisement, the agents have been instructed to purchase cotton at the market price if it could not be obtained for less, and the limitation in No. 2 as to the number of bales to be purchased on any one plantation, has been rescinded. These are the only changes which have been made, except in the form of the transfer of title. The new form is given in the "addendum to the regulations" appended. It will be perceived that in this form, a certificate of the purchasing agent is required to the effect, that the cotton is in good merchantable order, and is safely stored in a covered building. Every invoice of cotton which has been purchased on a plantation has this certificate attached to it.

Respectfully submitted,

C. G. MEMMINGER,

Secretary of Treasury.

REGULATIONS AS TO THE PURCHASE OF PRODUCE
UNDER THE "ACT TO AUTHORIZE THE EXCHANGE OF
BONDS FOR ARTICLES IN KIND, AND THE SHIPMENT,
SALE, OR HYPOTHECATION OF SUCH ARTICLES,"
APPROVED APRIL 21, 1862.

The several Produce Loan Agents appointed in each State shall accept cotton in kind, which has been or shall be subscribed, in exchange for the eight per cent. bonds of the Confederate States, under the following regulations:

1. Each agent shall, by public advertisement, call for offers to be made, setting forth the quantity, price and quality of the cotton, and the place at which the same is deposited; and upon receiving the offers, he shall cause the cotton offered to be examined, and the price ascertained and reported upon, by an experienced cotton broker, and upon being satisfied that the purchase would be desirable, and that the place of deposit is safe, he may conclude the purchases to the extent prescribed to him by the Secretary of the Treasury. When bids are equal, preference shall be given to subscriptions heretofore made to the Produce Loan.

2. No purchase shall be made of cotton deposited on a plantation, unless the seller shall engage, in writing, to take due care of the cotton while on his plantation, and to deliver the same, at his own expense, at the usual place of shipment or railroad delivery, whenever demanded by the Secretary of the Treasury, or his agents, or his or their assigns; nor shall any such purchase be made of less than twenty bales on one plantation. Wherever purchases of less than one hundred bales are made, the Government Agent is authorized to have them collected and deposited in a warehouse, or upon some plantation where proper provision can be made for their secure custody, and for delivery at the usual place of shipment; and he shall report to the Chief Agent the arrangements thus made, with proper documents for the delivery.

3. Before completing the purchase the Government shall see that each bale of cotton is sufficiently secured with rope and bagging, and is deposited in a warehouse, or if on a plantation, in some enclosed or covered building, secure from fire, to remain under charge of the seller as warehouseman. The purchase shall then be completed by the delivery of Confederate bonds or stock for the price, in ex-

change for the documents transferring the property to the Confederate States, and stipulating as specified in these regulations; and thereupon the agent shall place upon each bale a Government mark to identify the same. In all cases he shall take the transfer of title in duplicate, setting forth the particulars, one of which he shall forward to the Chief Produce Loan Agent of the State wherein the cotton is deposited, and the other to the Treasury Department at the seat of Government.

4. The General Agents will keep books, in which proper entries shall be made, designating the location, quality, quantity and value of each purchase, with such other particulars as shall identify the same; and shall register and file the receipts of the sellers; they shall also debit the subordinate agents with all bonds furnished them, and credit them with the value of the cotton purchased, together with the commissions for purchasing, and at the end of each month shall make to the Secretary of the Treasury a full report of all their transactions and those of their different agents.

5. The agents to purchase shall be, if possible, cotton brokers, or other experts. When they are not such, the agent shall call in aid one or more cotton brokers or other experts, to settle the classification and value of the cotton, and the commissions allowed shall be such as are customary for such service, to be certified for payment monthly by the General Agent to the Treasury Department.

6. The Produce Loan Bureau at the seat of Government shall register the original receipts forwarded to the Treasury Department, and shall keep books, in which shall be entered such particulars as are necessary to identify the parcels of cotton, their location, sale, or final disposition. Accounts shall also be kept of the certificates issued, and of the disposition thereof, and of the proceeds of sale, or hypothecation of them; and such other accounts shall be kept as may be necessary and proper for carrying into complete effect the act of Congress.

7. The following shall be the form of the transfer of title and receipt when the cotton is deposited on a plantation:

ADDENDUM TO REGULATIONS.

In place of No. 7, in Regulations, as to the purchase of produce, under the act to authorize the exchange of bonds for articles in kind, &c., use the following form:

—Bales; Aggregate Weight—x—\$—

STATE OF _____

COUNTY OF _____

Town, or Postoffice, _____

The undersigned having sold to the Confederate States of America, and received the value of same in bonds, _____ bales of cotton, marked, numbered and classed as in the margin, which are now deposited at _____ hereby agrees to take due care of said cotton whilst on his plantation, and to deliver the same at his own expense, at _____

in the State of _____ to the order of the Secretary of the Treasury, or his agents, or their assigns.

_____ 186 .

The undersigned, as agent of the Government, certifies that the within cotton has been examined by him or by a competent judge, and that its character will rank according to the commercial scale as _____ and also, that the weights and marks are as described—the cotton being in good merchantable order, and safely stored in a covered building

The undersigned certifies that the price agreed upon is a fair market price at the present time.

Each agent shall note upon the margin of the transfer of title, of which the form is given above, in addition to the marks and numbers, the weight of the cotton purchased.

C. G. MEMMINGER,
Secretary of Treasury.

August 26, 1862.

8. When the cotton is deposited at a warehouse, the form of transfer shall be in the usual and customary form in private transactions.

9. Whenever the cotton shall be sold by the Government agents, a certificate shall be appended to the transfer of title in the following form:

CONFEDERATE STATES OF AMERICA,
Treasury Department,
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This will certify that the above-described cotton has been sold to _____, and delivery is hereby ordered to be made to him or his order, with license to export the same from the Confederate States to any neutral port, upon complying with the requisitions of the law.

Given under my hand and seal on the year and day above mentioned.

_____,
Secretary of Treasury.

10. Subscribers to the Produce Loan may, at any time pay the amount or value of their subscriptions in treasury notes, instead of delivering the same in kind, and such payment shall entitle them forthwith to receive bonds or certificates of stock in exchange.

C. G. MEMMINGER,
Secretary of Treasury.

May 21, 1862.

AN ACT

To authorize the exchange of bonds for articles in kind, and the shipment, sale, or hypothecation of such articles.

SECTION 1. *The Congress of the Confederate States of America do enact*, That the Secretary of the Treasury be, and he is hereby, authorized to exchange the bonds or stocks of the Confederate States for any articles in kind, which may be required for the use of the Government, the said articles to be valued according to such regulations as the said Secretary shall make.

SEC. 2. It shall be the duty of the Commissary and Quartermaster Generals to direct their various officers to receive, at the place of purchase, all such articles purchased as are applicable to their several departments, and to apply the same in the same manner as if purchased directly by themselves; and the officer to whom each article is delivered shall be charged with the value as declared by the purchase, and shall be bound to account for the same.

SEC. 3. The said Secretary is also authorized to accept, for the use of the Government, in exchange for the said bonds or stock, cotton tobacco, and other agricultural products in kind, which have been subscribed to the Produce Loan, or which may be subscribed in kind, at such rates as may be adjusted between the parties and the agents of the Government: *Provided*, That in no event shall he receive of cotton or tobacco a greater value than thirty-five millions of dollars; and the said Secretary is further authorized to deposit the same at such places as he shall deem proper, and to procure advances thereon by hypothecation, or to ship the same abroad, or to sell the same at home or abroad, as he may deem best; and, to assist these operations, the said Secretary may issue Produce Certificates, which shall entitle the party to whom issued, or his endorsee, to receive the produce therein set forth, and to ship the same to any neutral port, in conformity with the laws of the Confederate States.

SEC. 4. The Secretary of the Treasury may, from time to time, appoint and dismiss such agents as he may deem requisite to carry into effect the provisions of this act. Their compensation shall be as brokerage upon the business completed by them at such rates as the Secretary of the Treasury shall adjust by general regulation.

SEC. 5. The Secretary of the Treasury may, from time to time, issue regulations for carrying out all the details involved in the provisions of this act, which shall be obligatory upon all parties concerned therein.

Approved April 21, 1862.

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